

[04/07/2016]

PURCHASE AND SALE AGREEMENT  
[Kapiolani Blvd. Property]

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") dated as of April 11, 2016 (the "Agreement Date", being the date on or after which both Seller and Purchase has signed this Agreement), is made by and between KAPIOLANI PARTNERS, LLC, a Hawaii limited liability company, whose mailing address is 1330 Ala Moana Blvd., Suite 200, Honolulu, Hawaii 96814 ("Seller"), and CALIFORNIA INVESTMENT REGIONAL CENTER, LLC, a California limited liability company, whose mailing address is 9911 Valley Blvd., El Monte, California 91731, and also at 1585 Kapiolani Blvd., Suite 1215, Honolulu, Hawaii 96814 ("Purchaser").

RECITALS:

A. Seller is the owner of a certain fee simple land consisting of approximately 45,000 square feet, more particularly described in Exhibit A, attached hereto (the "Land") upon which is situate four (4) buildings consisting of a total of approximately 26,937 gross square feet (the "Buildings"), located at 1362, 1370 & 1376 Kapiolani Blvd., Honolulu, Hawaii, bearing Tax Map Key Nos. (1) 2-3-16: 18, 19 & 20 (the Buildings and the Land are collectively called the "Premises"; Seller's right, title and interest in and to the Premises together with all tangible and intangible property owned or held by Seller as of the Closing Date situate on, attached or appurtenant to or used in connection with the Premises, including, but not limited to Seller's rights set forth in Section 1.02, below, being hereinafter collectively referred to as the "Property").

B. Purchaser desires to purchase, and Seller agrees to sell, the Property, for the price and on the terms and conditions set forth herein.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereby covenant and agree as follows:

ARTICLE I  
SALE OF PROPERTY; DUE DILIGENCE

1.01 Sale. Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase and accept from Seller, the Property, at the price and on the terms and conditions hereinafter stated.

1.02 Subject Property. Seller shall grant, transfer and convey, and Purchaser shall accept, Seller's right, title and interest in and to the Property, subject to the permitted exceptions set forth in Exhibit B (the "Permitted Exceptions"), all on the terms and conditions hereinafter stated. The term "Property" shall include personal property and/or rights or interests (tangible or intangible) arising out of or in connection with the ownership, use, operation, management or maintenance of the real property and the improvements thereon, and "Tenant Leases" (hereinafter defined), permits and entitlements, warranties for the improvements and/or fixtures and equipment, permits and licenses, fixtures, equipment, files, trademarks and tradenames and tenant security deposit(s). Specifically excluded are property management agreements and other contracts for the operation, maintenance or management of the Property, unless otherwise mutually agreed upon during the Due Diligence Period.

The term "Tenant Leases" shall mean all leases for the occupancy of portions of the Premises, whether written or oral, for a term or month-to-month, as of the date hereof, as more particularly described in Exhibit C, attached hereto, and leases arising thereafter.

1.03 Due Diligence. Purchaser shall have a period of one-hundred twenty



calendar days (120) calendar days from April 11, 2016 through August 9, 2016 (the "Due Diligence Period") to conduct such inspection, investigation, research, inquiry, testing and reports ("Due Diligence") as Purchaser deems necessary or appropriate in connection with Purchaser's purchase of the Property.

1.04 Deliveries. Within two (2) business days from the Agreement Date, Seller shall deliver to Purchaser copies of the Tenant Leases and other documents, reports and the like as requested by Purchaser, if existing and within Seller's possession and control. If Seller is unable to deliver all said documents within said time period, Seller shall deliver the previously undelivered documents from time to time, if and when available. Purchaser shall acknowledge the receipt, from time to time, of the receipt documents from Seller.

Privileged or Protected Documents. Provided, however, that Seller shall not be required to turn over documents which are confidential, resulting from work-product, appraisals, attorney-client privileged, which contain information relating to Seller's financing of the Property, or which contain confidential financial information as to Seller-entity and/or its constituent members-owners.

Title Report. Within fifteen (15) calendar days of the Agreement Date, Seller shall cause the production and delivery of a Preliminary Title Report with respect to the Property. The Preliminary Report shall be used to provide the Land Description for Exhibit A, hereto. Encumbrances shown on the Preliminary Title Report shall constitute a part of "Permitted Exceptions" for Exhibit B, hereto (but not including any mortgage or other financial encumbrance voluntarily incurred by Lender).

Disclosure Statement(s). From time to time, Seller may deliver such statement(s), documents and the like, relating to the Property.

Estoppel Certificate(s). Estoppel Certificates for the material Tenant Leases are discussed in Section 5.01, below, as a Closing Delivery. However, Seller may at Seller's option obtain and deliver such Estoppel Certificates to Purchaser from time to time, prior to Closing.

1.05 Conduct of Inspections, Etc. Purchaser shall conduct its inspections and tests in a manner which shall cause the least practical interference with the tenants in the Property and the operation of the business on the Property.

Purchaser may, at Purchaser's own expense, perform such surveys, Environmental Phase I studies, asbestos studies, termite inspections, physical inspections as it may require.

All costs, expenses, liabilities or charges incurred in or related to the performance of any and all of the Due Diligence shall be borne and paid by Purchaser. Purchaser shall indemnify, defend, and hold Seller harmless from any and all claims, damages, liabilities, losses, costs and expenses arising out of or in any way connected with Purchaser's entry upon the Property or exercise of its rights hereunder. Purchaser shall also be solely responsible for, and shall remedy and repair, any and all physical damage to the Property which may be caused by Purchaser's physical inspections and tests performed by Purchaser. If Purchaser does not elect to proceed with the purchase of the Property as provided herein, Purchaser shall cause the Property to be returned to substantially the same condition as it was prior to any testing done on or with respect to the Property. The terms of this Section shall survive termination of this Agreement.

Seller is under no obligation to cure "defects" or other matters disapproved by Purchaser, discovered by Purchaser with respect to the Property, it being within Purchaser's power and ability to either accept such matters "AS IS", "WHERE IS", or to terminate this Agreement.

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1.06 Termination During Due Diligence Period. Purchaser may, at any time prior to 4:00 p.m. Hawaiian Standard Time on the last day of the Due Diligence Period, terminate this Agreement for any reason or no reason by sending written notice to Seller pursuant to Section 15.01 hereof.

If Purchaser properly terminates this Agreement, both Purchaser and Seller shall be released from all further obligations hereunder other than their respective obligations which specifically survive any termination of this Agreement, and the "**Deposits**" (defined in Section 2.03, below, to the extent in fact made by Purchaser) shall be returned to Purchaser, with no interest thereon, if any, less Purchaser's share of escrow fees and costs.

If Purchaser fails to give Seller the proper termination notice as set forth above, Purchaser shall be deemed to have accepted and approved of Purchaser's Due Diligence and the Property, and Purchaser shall have no further termination rights pursuant to this Section 1.06.

## **ARTICLE II**

### **PURCHASE PRICE AND RELATED TERMS**

2.01 Base Price. The purchase price to be paid by Purchaser to Seller under this Agreement is **TWENTY-THREE MILLION UNITED STATES DOLLARS (US\$23,000,000.00)** (the "**Base Price**") less the net credits to Purchaser (the "**Credits**") as provided in Section 2.02 (the "**Purchase Price**").

2.02 Purchase Price; Credits. The Purchase Price is payable as follows:

(a) The Base Price less (i) the Credits and (ii) the Deposits and interest paid thereon, if any, shall be paid by cashier's check or one or more wire transfers of immediately available federal funds to an account designated by **Title Guaranty Escrow Services, Inc., Kahala Branch (Attn: Roxanne Olayan)** (the "**Escrow Agent**");

(b) Purchaser shall receive a credit against the Base Price for the following:

(i) The total sum of any security deposits held by Seller (excluding any interest thereon unless payable pursuant to the applicable Tenant Leases or by law pursuant to any leases or rights of occupancy, together with any and all credits due to become due to the tenants under the Tenant Leases, including under CAM or operating expense reconciliations. After the Closing Date, Purchaser shall assume all obligations and liabilities with respect to such deposits as to which Purchaser has so received a credit. Seller reserves the right to commence and prosecute after the Closing legal actions against any tenant for delinquent payment of lease rents for periods prior to the Closing; provided, that, such actions shall be limited to claims for money damages only, and not for termination of the Tenant Leases.

(ii) Rent under the Tenant Leases, and real property taxes for the then current year shall be prorated as of the Closing Date. Except as provided below, rents and other amounts received after the Closing Date shall be applied first to most current amounts owing under the applicable Tenant Lease. If the Closing Date shall occur before the real property tax rate is fixed for the then current real property tax year, the apportionment of real property taxes shall be based upon the real property tax rate for the preceding real property tax year applied to the latest assessed valuation, and after the real property taxes are assessed for the then current real property tax year, Purchaser and Seller shall adjust the amount actually due by a new proration based upon the new real property tax rate and upon demand the proper party shall promptly pay



the differential in cash to the other party.

(c) All items of income and expense with respect to the Property (including, without limitation, amounts payable under the Tenant Leases as the tenant's pro rata share of operating expenses, "CAM", or the like) and all utility charges, and all reserve funds under the Tenant Leases, relating to the Property shall be prorated as of the Closing Date such that Seller shall be liable for all expenses and entitled to all income with respect to the period prior to the Closing Date and Purchaser shall be liable for all expenses and entitled to all income with respect to the period from and after the Closing Date.

In the event that actual amounts which are the basis for prorations in accordance with this Section 2.02 are not known to the parties as of the Closing Date, the parties shall promptly make such post-Closing reconciliation outside of Escrow once actual amounts are determined, as appropriate, and the obligation of the parties to make such post-Closing reconciliation shall survive the Closing Date. Where the overall result of such reconciliation will potentially result in a credit in favor of Purchaser, or a payment by Seller to Purchaser, a portion of the funds otherwise due to Seller at Closing shall be held by the Escrow Agent, pending such final reconciliation. The amount of said funds to be held by the Escrow Agent shall be determined by the parties, in good faith and under a standard of reasonableness.

2.03 Deposits. On or before two (2) business days from the Agreement Date (being April 13, 2016), Purchaser shall deposit the sum of **FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (US \$500,000.00)** with Escrow Agent (the "Initial Deposit").

On or before the **sixtieth (60th)** day after the Agreement Date (being June 10, 2016), Purchaser shall deposit the sum of **FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (US \$500,000.00)** into Escrow (the "Additional Deposit"). The Initial Deposit and the Additional Deposit shall be referred to collectively as the "Deposits". Escrow Agent may invest the Deposits into an interest-bearing account with a financial institution insured by an agency of the federal government as directed in writing by Seller. All interest thereon shall be credited to the account of Seller subject to the provisions of Section 2.04.

On or before the expiration of the Due Diligence Period, and provided Purchaser has elected to proceed with the purchase of the Property, Purchaser shall instruct escrow to, and Escrow Agent shall, pay out all deposits (totaling **\$1,000,000.00**) to Seller. If, for any reason whatsoever, Seller does not receive the full \$1,000,000 out of escrow as aforesaid, Seller may unilaterally terminate this Agreement, and shall be entitled to all deposits held by Escrow as liquidated damages.

On or before **180** calendar days from the Acceptance Date (being October 8, 2016), Buyer shall make a further deposit of **ONE MILLION THREE HUNDRED THOUSAND AND NO/100 DOLLARS (US \$1,300,000.00)** (the "Second Additional Deposit") directly with Seller, outside of Escrow.

If Seller has not received the Initial, Additional and Second Additional Deposits of \$500,000, \$500,000 and \$1,300,000 directly, outside of escrow, in a timely manner, as aforesaid, then this Agreement shall automatically terminate and shall be of no further force or effect.

2.04 Non Refundable; Special Provisions. (A) All deposits referred to herein (and in the PSA) are intended and shall be absolutely non-refundable to Purchaser, shall be paid to Seller outside of Escrow, as provided above, and



shall be deemed fully earned by Seller upon expiration of the Due Diligence Period. Purchaser acknowledges and agrees that Seller has or will provide sufficient consideration to Purchaser by: (a) currently terminating negotiations for sale of the property with interested third parties in order to negotiate and sign this Agreement with Purchaser, and (b) agreeing to allow Purchaser the opportunity to purchase and acquire the Property in accordance with the terms under this Agreement, and (c) taking the Property "off the market" for the unusually long period of time discussed in this Agreement, in today's current "hot market" for properties of this nature in this location, it being extremely difficult, if not impossible, to quantify Seller's potential lost opportunity costs by doing so, and (d) not requiring Purchaser to evidence and prove ability to close this transaction from its own funds or from funds in its possession, and (e) the disruption of Seller's conduct of business on the Property, including the inability to pursue additional, long term tenants, and the "insecurity" of the existing tenants.

Said Deposits shall, upon receipt by Seller, become Seller's sole and separate property, not subject to refund or return to Buyer for any reason (except in the case of a material default of an essential obligation by Seller). Buyer is not entitled to any interest on said Deposits.

(B) Seller shall acknowledge receipt of the Deposits, in writing, to both Purchaser and to Escrow. Escrow shall have no obligations or responsibility for said Deposits, except that Buyer shall receive credit for the same, at Closing, with no interest.

### ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

Seller warrants and represents to Purchaser as of the date hereof and again as of the Closing as follows:

3.01 Organization. Seller is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Hawaii, and authorized to conduct the business it now conducts in the State of Hawaii.

3.02 Authority. Seller has all requisite power and authority to enter into and perform and carry out this Agreement and the transactions contemplated hereby. Seller has taken all requisite action to authorize the execution and delivery of this Agreement and the performance and delivery of this Agreement and the performance and consummation of the transactions contemplated hereby. This Agreement has been duly executed and delivered on behalf of Seller and constitutes the valid, binding and enforceable obligation of Seller. The documents to be delivered by Seller pursuant to Section 5, upon execution and delivery thereof, shall constitute the valid, binding and enforceable assignments, conveyances and transfers of Seller.

3.03 Other Agreements. Neither the execution and delivery of this Agreement by Seller and all documents contemplated hereby nor the consummation of the transactions contemplated hereby (A) would, after the giving of notice or the lapse of time, conflict with, result in a breach of, or constitute a default (i) under the constituent documents of Seller, nor, to the actual knowledge of Seller, based solely on a review of the files of Seller, but without further inquiry or independent investigation (hereinafter referred to as "**Actual Knowledge**") or (ii) any agreement, commitment or arrangement, to which Seller is a party, nor (B) would result in the creation by or through Seller of any lien or encumbrance

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on or affecting the Property.

3.04 Title; Encumbrances. Seller has good, marketable and insurable title to the Premises, and the Property as of the Closing Date will be free and clear of all liens and encumbrances except as provided in **Exhibit "B"**, attached hereto, or otherwise permitted under this Agreement.

3.05 Documents. Accurate and complete copies of documents, reports, agreements and other items described in **Exhibit D** hereto (including all amendments, supplements, riders, exhibits, schedules, side letters and other instruments and attachments related thereto) (the "**Property Documents**") have been delivered to Purchaser. Seller has provided Purchaser an accurate copy of such material as received by Seller or as prepared by Seller in good faith.

3.06 Notices of Default. Except as disclosed in writing to Purchaser within seven (7) business days of the date of this Agreement, Seller has not received or sent notice of any default under any of the Property Documents listed on **Exhibit D** or Tenant Leases.

3.07 Indemnity. Seller shall indemnify, defend and hold Purchaser harmless against any and all liabilities, claims or demands with respect to any damage to property (other than the Property) or injury to or death of any person, (i) occurring on the Premises and the public sidewalk immediately adjacent to the Premises arising with respect to the period prior to the Closing Date; and (ii) arising in connection with the Lawsuits. In addition, Seller will indemnify, defend and Purchaser (including Purchaser's directors, officers, agents and employees and successors) harmless from any claims, losses, expenses, penalties, fines, damages, tax and other liabilities, in any way, based on a claim that the total consideration paid by Purchaser is reported or allocated by Seller other than as set forth in Article II hereof.

3.08 Limited Actual Knowledge Representations. With respect to the Property, Seller has **no actual knowledge** of the following (which are of a material nature and may be disclosed to Purchaser, or Purchaser shall have discovered, during the Due Diligence Period):

- (a) There is no pending litigation against Seller.
- (b) There is no pending condemnation action(s) against Seller or the Property.
- (c) There are no pending administrative, governmental actions against Seller or the Property (not including actions against tenants of the Property).

#### **ARTICLE IV** **REPRESENTATIONS AND WARRANTIES OF PURCHASER**

4.01 Current Representations. As of the date of this Agreement, Purchaser represents and warrants to Seller as follows:

(a) Purchaser is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of California. Purchaser shall within two (2) business days of the Acceptance Date, deliver to Seller its formation and constituent documents, including Articles of Incorporation, By-Laws and amendments thereto.

(b) Purchaser has the requisite power and authority to enter into, perform and carry out this Agreement and the transactions contemplated hereby



including, without limitation, the purchase of the Property.

(c) This Agreement has been duly executed and delivered by Purchaser and constitutes the valid, binding and enforceable obligation of Purchaser.

(d) Neither the execution, delivery and performance of this Agreement by Purchaser and all documents contemplated hereby nor the consummation of the transactions contemplated hereby would, after the giving of notice or the lapse of time, conflict with, result in a breach of, or constitute a default under (i) any term or provision of Purchaser's constituent documents, (ii) any agreement, commitment or arrangement to which Purchaser is bound, nor, (iii) to the actual knowledge of Purchaser, without inquiry or independent investigation, any federal, state or local law, statute, ordinance, rule or regulation or any other law or court or administrative judgment, order or process to which Purchaser is bound.

(e) Purchaser will indemnify, defend and hold Seller (including Seller's directors, officers, agents and employees, and successors) harmless from any claims, losses, expenses, penalties, fines, damages, tax and other liabilities, in any way based on a claim that the total consideration paid by Purchaser is reported or allocated other than as set forth in Article II hereof.

(f) For a period of two (2) years after the Closing, Purchaser agrees to make any documents or records Seller transferred to Purchaser's possession available for inspection by Seller during normal business hours upon reasonable notice and upon a reasonable showing of good cause by Seller for its need for such information. Seller will reimburse Purchaser for all of Purchaser's reasonable expenses in making the documents available to Seller pursuant to this subsection.

(g) Purchaser shall indemnify, defend and hold Seller harmless from and against any and all liabilities, claims or demands with respect to any damages to property (other than the Property) or injury to or death of any person, occurring on the Premises and the public sidewalk immediately adjacent to the Premises arising with respect to the period from and after the Closing Date. Purchaser shall indemnify, defend and hold Seller harmless from and against all losses, damages, obligations, liabilities, claims, accounts, demands, liens or encumbrances, whether direct, contingent, or consequential and in any way connected or related to the Property with respect to the period from and after the Closing, the business operated at the Property with respect to the period from and after the Closing, or the obligations to be assumed by Purchaser, in accordance with the terms of this Agreement with respect to the period from and after the Closing Date.

4.02 Closing Date Representations. As of the Closing Date, Purchaser represents and warrants to Seller as follows:

(a) The representations, warranties and covenants set forth in Section 4.01 are incorporated by reference herein and remade as of the Closing Date.

(b) The performance and consummation by Purchaser of the transactions contemplated hereby to be performed by Purchaser hereunder have been duly authorized by any and all action necessary by Purchaser. All documents executed in connection herewith, upon execution and delivery thereof by Purchaser, shall constitute valid, binding and enforceable obligations of Purchaser.

(c) Purchaser acknowledges that it has consulted with and has been advised by consultants that are knowledgeable in matters it deems relevant



or material to this transaction, and that it has either made all of the inspections and investigations Purchaser deems necessary or desirable in connection with its purchase of the Property, including, without limiting the generality of the foregoing, reviewing all documents submitted by Seller, including the documents described in Exhibits B, C and D hereof, or that it has made sufficient investigations and inspections for its own purposes and has accordingly decided to purchase the Property on the basis set forth herein. Purchaser has inspected the Premises, the current physical condition and state thereof, and shall rely on its own inspection and Due Diligence, subject to the express representations, warranties and covenants of Seller as set forth in this Agreement. Purchaser hereby accepts the Property in its "AS IS" and "WHERE IS" condition and in its condition as of the Closing Date, subject to Seller's compliance with its obligations under this Agreement.

(d) Purchaser acknowledges that Purchaser has received from Seller copies of all of the documents submitted by Seller listed in Exhibits B, C and D hereto and has reviewed and thoroughly understands the same. Purchaser and its consultants assume full responsibility to confirm to Purchaser's satisfaction or alternatively not to confirm (in Purchaser's judgment) compliance with all applicable ordinances, building codes, zoning laws, statutes and the requirements of all regulatory authorities having jurisdiction, subject to the express representations, warranties and covenants of Seller as set forth in this Agreement. Purchaser acknowledges that except for Seller's limited warranties in this Agreement, Seller has made no representation or warranty, written or oral, express or implied, with respect to the Property, the physical condition or state of repair of the Property (including any warranties which may be deemed made at law the benefit of which, if any, Purchaser hereby waives) or as to the use, merchantability, design, quality, description, durability, operation or fitness for use of the Property or as to the quality of the Property or quality of work therein or with respect to the Property's compliance with applicable ordinances, building codes, zoning laws, statutes, and the requirements of all regulatory authorities having jurisdiction over the Property. Following Closing, and except for Seller's limited warranties in this Agreement and in the documents to be executed by Seller as of the Closing in accordance with this Agreement, in the event of any defect or deficiency in the Property of any nature whatsoever, patent or latent, Seller shall have no liability with respect thereto for direct, incidental, consequential or punitive damages. It is the express intent, understanding and agreement of Purchaser to rely on its own inspection and Due Diligence and to limit Seller's post closing liabilities to the obligations specifically set forth in this Agreement and within the time limits specifically set forth in this Agreement.

Further, and by way of reiteration, incorporating the customary Hawaii AS IS Addendum: except as otherwise expressly provided in this Agreement, Purchaser expressly acknowledges that, in consideration of the agreements of Seller in the Agreement, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF QUANTITY, QUALITY, CONDITION, HABITABILITY, MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, ANY IMPROVEMENTS LOCATED ON THE PROPERTY OR ANY SOIL CONDITIONS RELATED TO THE PROPERTY. PURCHASER SPECIFICALLY ACKNOWLEDGES THAT BUYER IS NOT RELYING ON (AND SELLER HEREBY DISCLAIMS AND RENOUNCES) ANY REPRESENTATIONS OR WARRANTIES MADE BY OR ON BEHALF OF SELLER OF ANY KIND OR NATURE WHATSOEVER, EXCEPT AS IS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, PURCHASER, FOR PURCHASER AND PURCHASER'S SUCCESSORS AND ASSIGNS, HEREBY RELEASES SELLER FROM AND WAIVES ANY AND ALL CLAIMS AND LIABILITIES AGAINST SELLER FOR, RELATED TO, OR IN CONNECTION WITH, ANY ENVIRONMENTAL CONDITION AT THE PROPERTY (OR THE PRESENCE OF ANY MATTER OR SUBSTANCE RELATING TO THE ENVIRONMENTAL

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CONDITION OF THE PROPERTY), INCLUDING, BUT NOT LIMITED TO, CLAIMS AND/OR LIABILITIES RELATING TO (IN ANY MANNER WHATSOEVER) ANY HAZARDOUS, TOXIC OR DANGEROUS MATERIALS OR SUBSTANCES LOCATED IN, AT, ABOUT OR UNDER THE PROPERTY, OR FOR ANY AND ALL CLAIMS OR CAUSES OF ACTION (ACTUAL OR THREATENED) BASED UPON, IN CONNECTION WITH OR ARISING OUT OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, 42 U.S.C. §9601 ET SEQ. ("CERCLA"); THE RESOURCE CONSERVATION AND RECOVERY ACT, 42 U.S.C. §6901 ET SEQ. ("RCRA"); AND THE SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT, 42 U.S.C. §9601 ET SEQ. ("SARA") OR ANY OTHER CLAIM OR CAUSE OF ACTION (INCLUDING ANY FEDERAL OR STATE BASED STATUTORY, REGULATORY OR COMMON LAW CAUSE OF ACTION) RELATED TO ENVIRONMENTAL MATTERS OR LIABILITY WITH RESPECT TO OR AFFECTING THE PROPERTY.

PURCHASER REPRESENTS TO SELLER THAT PURCHASER HAS CONDUCTED, OR WILL CONDUCT BEFORE CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY AND WILL RELY SOLELY ON SAME AND NOT ON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO, OTHER THAN SUCH REPRESENTATIONS, WARRANTIES, AND COVENANTS OF SELLER AS ARE EXPRESSLY SET FORTH IN THIS AGREEMENT. UPON CLOSING, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INVESTIGATIONS, AND PURCHASER, ON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED, AND RELEASED SELLER FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS, AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, THAT PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER, AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES, OR MATTERS REGARDING THE PROPERTY. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, BUYER AGREES THAT SHOULD ANY CLEANUP, REMEDIATION, OR REMOVAL OF HAZARDOUS SUBSTANCES OR OTHER ENVIRONMENTAL CONDITIONS ON THE PROPERTY BE REQUIRED AFTER THE DATE OF CLOSING, SUCH CLEANUP, REMOVAL, OR REMEDIATION SHALL BE THE RESPONSIBILITY OF AND SHALL BE PERFORMED AT THE SOLE COST AND EXPENSE OF PURCHASER.

ARTICLE V  
SELLER'S CLOSING OBLIGATIONS

5.01 Documents. At the Closing, Seller shall:

(a) Convey to Purchaser all of Seller's right, title and interest in and to the Property pursuant to a warranty deed and assignments in the form mutually agreed upon.

(b) Deliver to Purchaser an assignment, in a form mutually agreed upon, of Seller's right, title and interest in and to the Tenant Leases and all of Seller's rights thereunder.

(c) Deliver to Purchaser such estoppel certificates actually received from Tenants under the Tenant Leases, or, in lieu thereof, an estoppel certificate from Seller, as landlord, certifying to the matters set forth in such estoppel certificates requested of the Tenants. Purchaser understands the form of estoppel certificate is, or may be, dictated in the Tenant Leases, or, failing that, the form shall be Seller's normal and customary form, as attached as **Exhibit E**, attached hereto.



(d) Deliver to Purchaser such instruments as are necessary or reasonably required by Purchaser or its title insurer to evidence the authority of Seller and its signatories to execute this Agreement and the other documents to be executed by Seller in connection with the transaction contemplated herein.

(e) Deliver to Purchaser a certificate of Seller certifying that Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code, as amended, in the form set forth in Treasury Regulations Section 1.1445-2.

(f) Deliver to Purchaser a certificate of Seller certifying that Seller is not a "foreign person" within the meaning of Section 235-68 of Hawaii Revised Statutes.

(g) Duly complete all required tax forms, including a Conveyance Tax Form, "Bulk Sales Report" and "Notice of Mortgage, Pledge or Purchase", and cause all such forms to be filed at the Closing or the required due date.

(h) Deliver to Purchaser and Escrow Agent a current rent roll for the Property which shall be the basis for prorations under this Agreement, which shall be deemed to be certified by Seller as being true and correct in all material respects as of the date thereof.

(i) Deliver to Purchaser tax clearances, issued by the State of Hawaii and Federal Government.

(j) Deliver to Purchaser a Certificate of Good Standing, issued by the State of Hawaii.

5.02 Notices to Tenants. On or before the Closing Date, Seller will deliver to Purchaser notices to the tenants of the Property advising the Tenants of the change of ownership with Purchaser's contact information, duly executed by Seller.

5.03 Other Documents. On or before the Closing Date, Seller shall also deliver any other documents specifically required by this Agreement to be delivered by Seller.

5.04 Payment Obligations. Seller shall instruct Escrow Agent to pay Seller's payment obligations due at Closing out of funds due to Seller from Escrow.

#### **ARTICLE VI** **PURCHASER'S CLOSING OBLIGATION**

6.01 Delivery. At the Closing, Purchaser shall:

Deliver to Seller (through Escrow) the Purchase Price (Base Price, plus share of costs, prorations, expenses and other monetary amounts specified in this Agreement).

6.02 Other Documents. On or before the Closing Date, Purchaser shall deliver any other documents and perform any other obligations required by this Agreement to be delivered or performed by Purchaser.

6.03 Payment Obligations. Purchaser shall complete all other payment obligations due at Closing, including, without limitation, the payments set forth in this Agreement.



**ARTICLE VII**  
**COSTS AND CLOSING EXPENSES**

7.01 Seller and Purchaser shall share equally in the cost of Conveyance Taxes, escrow fees, Title Insurance Policy premiums and other title fees. Each party shall pay its own attorneys' and consultants' fees. The provisions of this Article shall survive the Closing or, if the Closing does not occur, the termination of this Agreement.

**ARTICLE VIII**  
**BROKERS**

8.01 Brokers. Seller represents and warrants to Purchaser that it has not engaged any finder, broker or real estate agent in connection with this transaction except as set forth below. Purchaser represents and warrants to Seller that it has not engaged any finder, broker or real estate agent in connection with this transaction except as set forth below. Each party hereto shall indemnify, defend and hold harmless the other party from and against any and all costs, claims and expenses, including attorneys' fees, arising out of any claim by any person or entity, claiming to be entitled to a fee, commission or charge as a result of services allegedly rendered to or as a result of having dealt with the indemnifying party in connection with this Agreement or the Property. The provisions of this Section shall survive the Closing or, if the Closing does not occur, the termination of this Agreement.

AGENCY DISCLOSURE. Seller is represented by **NEWMARK GRUBB/CBI INC. (Jackson Nakasone/Sheldon Glassco)** ("Seller's Broker") and Seller shall pay a real estate commission to Seller's Broker pursuant to an Exclusive Authorization Listing Agreement between Seller and Seller's Broker.

Purchaser is represented by **NEWMARK GRUBB/CBI INC. (Rodney Sugai)** ("Purchaser's Broker"), and Seller shall pay a real estate commission to Purchaser's Broker by way of Seller's Broker compensating Purchaser's Broker as a "cooperating broker", as provided in the Exclusive Authorization-Listing Agreement.

One of more of persons affiliated with Seller is a real estate licensee in the State of Hawaii.

**ARTICLE IX**  
**CLOSING**

9.01 Closing. The closing hereunder (the "**Closing**") shall be deemed to have taken place upon the recordation of all requisite documents and the date of recordation shall be the "**Closing Date**." Subject to satisfaction of Purchaser's Conditions (Article X) and Seller's Conditions (Article XI), the Closing shall take place on **December 22, 2016** (the "**Scheduled Closing Date**"). Time is of the essence, and the Scheduled Closing Date may not be extended without the written approval of both Seller and Purchaser, **EXCEPT** as follows:

Purchaser may at Purchaser's option, extend the Scheduled Closing Date up to and including **January 31, 2017** (the "**First Extended Closing Date**"), which option may be exercised by: (i) Purchaser's delivery of written notice to extend the Closing Date to Seller, delivered not later than **December 15, 2016**; and (ii) Purchaser's payment of the sum of **FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (US\$500,000.00)** directly with Seller, outside of escrow. Purchaser's exercise of the option to extend is not valid without said deposit.



Provided that Purchaser has properly extended the Scheduled Closing Date, Purchaser may at Purchaser's option, extend the First Extended Closing Date up to and including **March 1, 2017** (the "**Second Extended Closing Date**"), which option may be exercised by: (i) Purchaser's delivery of written notice to extend the Closing Date to Seller, delivered not later than **January 24, 2017**; and (ii) Purchaser's payment of the additional sum of **FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (US\$500,000.00)** directly with Seller, outside of escrow. Purchaser's exercise of the option to extend is not valid without said deposit.

Both of said deposits, delivered to extend the Closing Date(s), shall be non-refundable and held in accordance with Section 2.04, above.

At Purchaser's request, Seller shall cooperate and close on an earlier date, provided at least thirty (30) days prior notice is given, and Seller will not suffer any harm or damage.

**9.02 Pre-Closing.** Seller and Purchaser shall pre-close at such place as Purchaser shall determine, two (2) business days prior to the Scheduled Closing Date, where the execution of required documents (the "**Closing Documents**") shall take place and all items to be delivered at the Closing shall be delivered to Escrow Agent except that Purchaser shall pay the Purchase Price pursuant to Section 2.02 no later than 8:00 a.m., one (1) business days prior to the Scheduled Closing Date, Hawaii Standard Time, or earlier time as may be required by the Escrow Agent.

Upon Escrow Agent's confirmation of receipt of the appropriate funds and upon Escrow Agent's irrevocable commitment to release such funds to Seller promptly following the Closing and provided further that Escrow Agent has confirmed that the Title Company is unconditionally committed to issue the required title policy to Purchaser as of the Closing Date, then Escrow Agent shall cause the requisite Closing Documents to be filed and/or recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii and/or the Bureau of Conveyances.

#### **ARTICLE X** **PURCHASER'S CONDITIONS**

**10.01 Purchaser's Conditions.** Purchaser's obligation to purchase the Property shall be subject to the following conditions (the "**Purchaser's Conditions**"):

(a) As of the Closing Date, there shall be no uncured breach by Seller of any of Seller's material covenants and obligations hereunder.

(b) Ticor Title Insurance Company (the "**Title Company**"), through its agent Title Guaranty of Hawaii, Inc., shall be committed to issue to Purchaser an Owner's Policy of Title Insurance (the "**Title Policy**") insuring that title to the Property, in the form and with the endorsements approved by Purchaser, subject only to the Permitted Exceptions.

(c) No order, petition, judgment or lawsuit shall have been filed or made, and no claim shall have been made or other action taken by any third party, which might materially adversely affect the value, or use of either the Property or Purchaser's or Seller's title thereto.

**10.02 Extension.** In the event that any one or more of Purchaser's Conditions is not fully satisfied and completed on the Scheduled Closing Date, subject to extensions only as set forth herein or in Section 9.01, above, Purchaser, by written notice to Seller, shall (i) waive the condition not met (or the exception not removed) and proceed to close the transaction, or (ii) agree to a 14-day

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extension of the Scheduled Closing Date. Any condition which is specifically and intentionally waived in writing by Purchaser for purposes of Closing shall be a waiver for all purposes including a waiver of all remedies for any breach by Seller of any of Seller's covenants (if any) with respect to such condition. If such condition is not satisfied within the 14-day extension period, Purchaser may terminate this Agreement by written notice to Seller and if the failure of such condition also constitutes a breach or default by Seller under this Agreement, Purchaser may exercise all rights and remedies at law and/or in equity arising as a result thereof.

#### ARTICLE XI SELLER'S CONDITIONS

11.01 Seller's Conditions. Seller's obligation to sell the Property shall be subject to the following conditions precedent (the "**Seller's Conditions**"):

(a) As of the Closing Date, there shall be no uncured breach by Purchaser of its material covenants and obligations hereunder.

(b) Purchaser shall have timely made all deposits and payments required hereunder.

11.02 Extension. In the event that any of Purchaser's Conditions shall not have been met on the Scheduled Closing Date, subject to extensions only as set forth herein or in Section 9.01, above, then Seller, by written notice to Purchaser, shall (i) waive the condition not met and proceed with performance, or (ii) agree to a 14-day extension of the Scheduled Closing Date. Such election shall waive any claim Seller may have for any breach by Purchaser with respect to any condition waived. If such condition is not satisfied within the 14-day extension period, Seller may elect to terminate this Agreement by written notice to Purchaser whereupon all Deposits held by Seller shall be retained and fully owned by Seller, and all of Purchaser's funds in escrow, if any, shall be immediately remitted to Seller, or to seek specific performance and damages for breach of this Agreement.

#### ARTICLE XII ADDITIONAL COVENANTS

12.01 Interim Obligations. During the period between the date of this Agreement and the Closing Date (the "**Interim Period**"), Seller agrees as follows:

(a) Seller shall continue Seller's customary normal inspection, maintenance, repair and management of the Property.

(b) Seller shall not make any material physical changes, alterations or improvements to the Property without the prior approval in writing of Purchaser. As used herein, the term "material physical changes" shall mean changes costing more than \$100,000, and to be paid for by Seller (and not by any tenant). Seller shall provide Purchaser with true copies of all notices, correspondence, reports relating to the Property within ten (10) days after receipt of any such items.

(c) Seller may, without Purchaser's approval in writing, enter into any new, or amend any existing, Tenant Leases or other agreements affecting the Property so long as said tenant leases and/or amendments contain Seller's customary demolition clause. However, after expiration of the Due Diligence Period, and payment by Purchaser of the Second Additional Deposit, Seller shall not enter



into any new Tenant Leases, or amend any existing Tenant Lease except with Purchaser's prior written consent; nor shall Seller enter into any operational agreement affecting the Property unless that same can be terminated with 30 days' notice, without cost, except with Purchaser's prior written consent.

(d) Seller shall not, without Purchaser's prior approval in writing, transfer, convey, encumber or permit to be encumbered, the Property or any part thereof or any interest therein.

12.02 Access. At all reasonable times during the Due Diligence Period and the Interim Period, Purchaser and its authorized agents, employees and representatives shall, upon reasonable notice to Seller, be accorded reasonable and supervised (by Seller) access to the Property. The foregoing rights shall be exercised by Purchaser with minimum disturbance to Seller's ownership, management and operation of the Property.

12.03 Permits. Seller shall maintain in effect until the Closing Date all insurance policies, licenses, permits and authorizations of all federal, state and local authorities necessary for the ownership and management of the Property.

12.04 Purchaser's Consent. The consent or approval of Purchaser required under the provisions of this Article XII shall not be unreasonably withheld, or delayed nor shall there be a fee charged therefor.

#### **ARTICLE XIII** **REMEDIES**

13.01 Seller's Election. In the event the sale of the Property as contemplated by this Agreement is not timely consummated because of a default by Purchaser in performing its obligations under this Agreement, and Seller is not in default, Seller shall elect to either cancel this Agreement and be entitled to retain all Deposits as provided in Section 2.04, above, and all interest accrued thereon as liquidated damages (and not as a penalty), or to seek specific performance and damages for breach of this Agreement. If Seller elects to cancel this Agreement and receive the Deposit and all interest accrued thereon, then Seller shall waive its right to seek specific performance and damages.

13.02 Purchaser's Election. In the event the sale of the Property as contemplated hereunder is not timely consummated because of a default under this Agreement on the part of Seller, and Purchaser is not in default, Purchaser shall elect to either cancel this Agreement and receive a refund of Purchaser's funds, or to seek specific performance and damages for breach of this Agreement. If Purchaser elects to cancel this Agreement and receive a refund of Purchaser's funds, then Purchaser shall waive its right to seek specific performance and damages.

#### **ARTICLE XIV** **CASUALTY; CONDEMNATION**

14.01 Casualty Threshold. In the event that the Premises are damaged or destroyed by fire or other casualty actually insured against by Seller prior to the Closing Date and such damage or destruction is estimated to cost **One Hundred Thousand Dollars (\$100,000.00)** (the "Casualty Threshold") or less to repair or replace (as verified by an architect or contractor selected by Seller and approved by Purchaser, which approval shall not be unreasonably withheld, and existing laws permit the repair and restoration of the Premises to its state immediately prior to such casualty), then (i) the Closing shall occur as scheduled, notwithstanding such damage or destruction; (ii) Seller shall not have any



obligation, responsibility or liability whatsoever for such damage or destruction, including, without limiting the generality of the foregoing, any obligation to repair or replace any damaged or destroyed improvements, provided, however, that Purchaser shall be entitled to a credit against the Purchase Price for the estimated cost of repair which is not covered by insurance due to deductible amounts; and (iii) any proceeds of insurance payable to Seller by reason of such damage or destruction shall be paid or assigned to Purchaser; provided, however, that Seller shall continue to maintain in full force and effect all replacement cost fire and property damage insurance covering the Property in effect as of the date of this Agreement.

14.02 Other Casualty. In the event that the Premises are damaged or destroyed (i) by fire or other casualty actually insured against prior to the Closing Date, and such damage or destruction to the Premises is estimated to cost more than the Casualty Threshold to repair or replace (as verified by an architect or contractor selected by Seller and approved by Purchaser, which approval shall not be unreasonably withheld) or (ii) by an uninsured casualty regardless of amount and Seller provides Purchaser with written notice within twenty (20) business days of the casualty that Seller has elected not to repair/replace the same, then (a) Purchaser shall have the option to terminate this Agreement by written notice to Seller given within thirty (30) business days after such damage or destruction, or after receipt of Seller's written notice as provided above, whichever is later and (b) if Purchaser terminates this Agreement, neither Purchaser nor Seller shall thereafter have any obligations or liabilities hereunder. In the event of such an election to terminate by Purchaser, all escrow and title cancellation charges shall be shared equally by Seller and Purchaser. If Seller elects to repair or to restore any uninsured casualty, then the Scheduled Closing Date will be extended to the tenth (10th) business day following Seller's completion of such repair or restoration.

14.03 New Scheduled Closing Date. If Purchaser does not elect to terminate this Agreement as provided in Section 14.02, the following shall apply:

(a) If the Closing was scheduled to take place at any time during the thirty (30) day period referred to in Section 14.02 above, at Purchaser's option the Closing may be rescheduled to a later date within thirty (30) business day period upon at least forty-eight (48) hours prior written notice from Purchaser to Seller.

(b) The provisions of Section 14.01 above shall be applicable to the damage or destruction described in Section 14.02 above as if the estimated cost to repair or replace such damage or destruction were less than or equal to the Casualty Threshold.

14.04 Eminent Domain. In the event that prior to the Closing Date, a governmental entity shall commence or give notice of its intention to commence any eminent domain proceeding to take any material portion of the Property other than pursuant to a lease of space, then Purchaser shall have the option to elect to do either of the following:

(a) Purchaser may elect to terminate this Agreement by written notice to Seller given within ten (10) business days after Purchaser has received notice of such action of condemnation, in which event, (i) neither Purchaser nor Seller shall thereafter have any obligations or liabilities hereunder, (ii) all funds held by Escrow together with any interest thereon, shall be returned to Purchaser, and (iii) all escrow and title cancellation charges shall be shared equally by Seller and Purchaser; or (iv) Purchaser may elect to proceed with the transaction described herein, in which case on the Closing Date the Purchase Price and other payments shall not be reduced and the net award payable to Seller



for such taking, if any, shall be assigned and transferred to Purchaser together with all right, title and interest in and to any awards, it being expressly agreed that in such event Seller shall have no obligation, responsibility, or liability to repair or restore the Property or any portion thereof. If Purchaser elects to proceed, the following shall apply: If Closing was scheduled to take place at any time during the ten (10) business day period referred to in Section 14.04(a) above, at Purchaser's option the Closing may be rescheduled to a later date within the ten (10) business day period upon at least forty-eight (48) hours prior written notice from Purchaser to Seller.

The provisions of Section 14.04(b) with respect to an assignment of the net award shall be applicable to eminent domain proceedings involving a taking of a non-material portion of the Property other than a leasehold taking.

**ARTICLE XV**  
**NOTICES**

15.01 Notices. All notices and other communications under this Agreement shall be in writing and shall be hand delivered or sent by a courier or express service guaranteeing overnight delivery, or sent by email addressed to the parties at the addresses set forth on the first page of this Agreement with, if notice is being given to Seller, a copy to:

KAPIOLANI PARTNERS, LLC  
1330 Ala Moana Blvd., Suite 200  
Honolulu, Hawaii 96814

Attn: Shigeru Takayama &/or Lisa T. Eveleth  
Email:

With a copy:

RANDY Y.F. HEW, ESQ.  
1188 Bishop Street, Suite 2310  
Honolulu, Hawaii 96814

Email: randyhew@randyhew.com

and, if notice is being given to Purchaser, the notice should be to the attention of: Zhong Fang & Michelle Hu, with a copy to:

**ARTICLE XVI**  
**[Intentionally Left Blank]**

**ARTICLE XVII**  
**MISCELLANEOUS PROVISIONS**

17.01 Survival. Except as specifically set forth in this Agreement, all representations, warranties, covenants or other obligations of Seller or Purchaser set forth in this Agreement shall survive the Closing for two (2) years.



17.02 No Assignment. Purchaser shall not assign this Agreement or any of its rights hereunder without the prior written consent of Seller, which consent may be withheld in its complete discretion, and any such assignment without such consent shall be void. Notwithstanding the foregoing, Purchaser shall have the right to assign this Agreement prior to Closing to an entity affiliated by Purchaser, or to any subsidiary corporation or any entity in which any shareholder, owner or principal of the Purchaser has an interest, without Seller's consent or approval. No such assignment shall relieve Purchase of its obligations under the Agreement.

17.03 Integration. This Agreement embodies and constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior agreements, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified or amended except by an instrument signed by the party against whom the enforcement of such waiver, modification or amendment is sought, and then only to the extent set forth in such instrument.

17.04 Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the law of the State of Hawaii. Purchaser and Seller hereby agree and stipulate that any suit or action arising out of or in connection with the Property or the terms of this Agreement shall be brought in the Circuit Court of the First Circuit, State of Hawaii, or in the United States District Court for the District of Hawaii, and Purchaser and Seller each hereby submit to the jurisdiction of such courts for such purposes.

17.05 No Recordation. Neither Purchaser nor Seller shall record this Agreement.

17.06 Captions. The captions in this Agreement are inserted for convenience of reference only and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof.

17.07 Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

17.08 Binding Effect. This Agreement shall not be binding or effective until properly executed and delivered by both Seller and Purchaser and shall not be a written memorandum or offer subject to acceptance or any other evidence of an agreement for the sale of real property for any such purpose unless so executed and delivered.

17.9 Gender. As used in this Agreement, the masculine shall include the feminine and neuter, the singular shall include the plural and the plural shall include the singular, as the context may require.

17.10 Schedules. If the provisions of any schedule, exhibit or rider to this Agreement are inconsistent with the provisions of this Agreement, the provisions of such schedule, exhibit or rider shall prevail.

17.11 Counterparts. This Agreement may be executed in two or more counterparts and shall be deemed to have become effective when and only when one or more of such counterparts shall have been signed by or on behalf of each of the parties hereto by facsimile, although it shall not be necessary that any single counterpart be signed by or on behalf of each of the parties hereto, and all such counterparts shall be deemed to constitute but one and the same instrument.

17.12 Severability. If any provision hereof or the application thereof



to any person or circumstance shall to any extent be invalid or enforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby.

17.13 Press Release. Purchaser and Seller agree not to issue any press release or make any public disclosure concerning the transaction contemplated hereby without the prior written approval of the other party, and agree not to disclose such matters except to such attorneys, accountants, lenders and others as are reasonably required in order to consummate the transaction. All non-public information, documents, studies and reports relating to the Property obtained by Purchaser, either by the observations and examinations of its agents and representatives or as disclosed to it by Seller, shall remain confidential prior to the Closing, except for disclosure by Purchaser to Purchaser's attorneys, accountants, advisors, consultants, prospective lenders and/or investors and others as are reasonably required in order to consummate the transaction and/or as may be required by applicable laws.

17.14 Cooperation. Each party, from time to time, upon request of the other party and without further consideration will, at its own expense, execute and deliver such documents, cooperate and take such further actions as the other party may reasonably request in order to more effectively consummate the transactions herein contemplated.

17.15 Construction. The parties hereby agree that they have been represented by counsel in connection with this transaction and that this Agreement shall be interpreted according to its fair construction and shall not be construed against either party. As used in this Agreement, "Business day" shall mean a day other than a Saturday or Sunday in which the offices of the State of Hawaii are open and conducting business.

17.16 Attorneys' Fees. In the event any party hereto brings any suit or other proceeding with respect to the subject matter or enforcement of this Agreement, the prevailing party (as determined by the court, agency or other authority before which such or proceeding is commenced) shall, in addition to such other relief as may be awarded, be entitled to recover reasonable attorneys' fees, expenses and costs of investigation as actually incurred (including, without limitation, reasonable attorneys' fees, expenses and costs of investigation incurred in appellate proceedings, costs incurred in establishing the right to indemnification, or in any action or participation in, or in connection with, any case or proceeding under Chapter 7, 11 or 13 of the Bankruptcy Code, 11 United States Code Sections 101 et seq. or any successor statutes).

17.17 Waiver of Provisions. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

17.18 No Joint Venture. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other such agreement between Purchaser and Seller. No term or provision of this Agreement is intended to be, or shall be, for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

17.19 Authority. The persons signing below represent and warrant that they have the requisite authority to bind the entities on whose behalf they are signing.



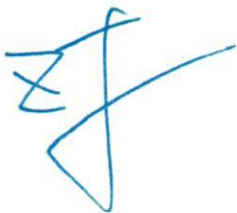


17.20 Funds. All deposits and the Purchase Price shall be made either by wire transfer in immediately available funds.

**ARTICLE XVIII**

**ESCROW**


18.01 Deposit of Agreement. A signed copy of this Agreement shall be deposited with the Escrow Agent and the Escrow Agent will be authorized and instructed to act in accordance with the provisions of this Agreement, which shall constitute escrow instructions superseding any previous instructions. The parties shall each execute and deliver to the Escrow Agent such other instructions, instruments and funds as are necessary to close escrow and consummate the sale of the Property in accordance with the terms hereof.





IN WITNESS WHEREOF, the parties hereto have executed this Purchase and Sale Agreement on the date first above written.

KAPIOLANI PARTNERS, LLC, a Hawaii limited liability company

By   
Name:  
Title: Authorized Signatory

CALIFORNIA INVESTMENT REGIONAL CENTER, LLC, a California limited liability company

By  **ZHONG FANG**  
Name:  
Title: Manager



REGULAR SYSTEM

HAWAII OCEAN PLAZA LP  
1585 Kapiolani Blvd., Ste. 1215  
Honolulu, HI 96814

TMK NOS: (1) 2-3-016: 018  
 (1) 2-3-016: 019  
 (1) 2-3-016: 020



WARRANTY DEED

THIS DEED, is made on \_\_\_\_\_, by KAPIOLANI PARTNERS, LLC, a Hawaii limited liability company, hereinafter called the "Grantor", in favor of HAWAII OCEAN PLAZA LP, a Hawaii limited partnership, whose mailing address is 1585 Kapiolani Boulevard, Suite 1215, Honolulu, Hawaii 96814, hereinafter called the "Grantee";

W I T N E S S E T H    T H A T :

That, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other valuable consideration paid to Grantor, the receipt of which is hereby acknowledged, Grantor does hereby grant, bargain, sell and convey unto the Grantee, in fee simple, all of the property more particularly described in Exhibit A attached hereto and made a part hereof;

And the reversions, remainders, rents, issues and profits thereof and all of the estate, right, title and interest of the Grantor, both at law and in equity, therein and thereto;

TO HAVE AND TO HOLD the same, together with all buildings, improvements, rights, easements, privileges and appurtenances thereon and thereunto belonging or appertaining or held and enjoyed therewith, unto the Grantee as **Tenant In Severalty**, forever.

The Grantor does hereby covenant with the Grantee that the Grantor is seised of the property herein described in fee simple; that said property is free and clear of and from all liens and encumbrances, except for the lien of real property taxes not yet by law required to be paid, and except as may herein specifically be set forth herein; that the Grantor has good right to sell and convey said property, as aforesaid; and, that the Grantor will WARRANT AND DEFEND the same unto the Grantee against the lawful claims and demands of all persons, except as aforesaid.

For the valuable consideration as aforesaid, the Grantor has sold, assigned, transferred, set over and delivered unto the Grantee, according to the tenancy herein set forth, the personal property described under Item IV of Exhibit A, which personal property the Grantee shall have and hold, according to such tenancy, absolutely; the Grantor, in consideration of the premises, hereby covenanting with the Grantee that the Grantor is the lawful owner of such personal property; that the same is free and clear of and from all liens and encumbrances; that the Grantor has good right to sell and convey said personal property; and that the Grantor will WARRANT AND DEFEND the same unto the Grantee, according to the tenancy herein set forth, against the lawful claims and demands of all persons.

Further, the condition of the property and other improvements and the personal property (if any) constituting a part of the property described in Exhibit A is conveyed and transferred herein "**AS IS**" as of the date hereof, without any representations or warranties whatsoever, either express or implied, by the Grantor or any person on behalf of the Grantor, as to the condition, state of repair, operating order, safety, structural soundness or fitness thereof for any particular purpose, as specifically provided in the unrecorded Purchase and Sale Agreement dated as of April 1, 2016, from which this Warranty Deed arises. This provision shall be binding upon Grantee upon recordation of this Deed, without Grantee's further signature hereupon.



This conveyance and the warranties of the Grantor are expressly declared to be in favor of the Grantee, its successors and assigns, according to the tenancy set forth above.

The rights and obligations of the Grantor and Grantee shall be binding upon and inure to the benefit of their respective heirs, devisees, personal representatives and assigns. All obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention is clearly expressed elsewhere herein.

This document may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same document, binding all of the parties hereto, notwithstanding that all of the parties are not signatory to the same original or same counterparts. For all purposes, including, without limitation, recordation, filing, and delivery of this document, unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

IN WITNESS WHEREOF, Grantor and Grantee have executed these presents on the day and year first above stated.

KAPIOLANI PARTNERS, LLC, a Hawaii limited liability company

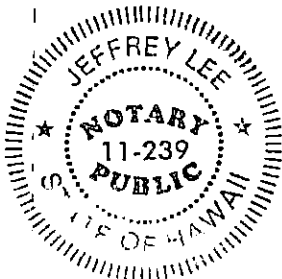
By Lisa H.T. Eveleth  
Lisa H.T. Eveleth  
Its Authorized Signatory

"Grantor"

STATE OF HAWAII )  
CITY AND COUNTY OF HONOLULU ) SS.

On this 27 day of February, 2017, before me personally appeared LISA H.T. EVELETH, to me personally known, who, being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities. I further certify as follows:

Doc. Date: 2/27/17 or undated at time of Notarization  
# of Pages: 6  
Name of Doc.: Warranty Deed  
Jurisdiction: First Circuit



Jeffrey Lee  
Notary's Signature (Above) **JEFFREY LEE**  
Print Name: \_\_\_\_\_  
Notary Public, State of Hawaii  
My commission expires: Expiration Date: July 31, 2019



[COUNTERPART SIGNATURE PAGE - GRANTEE]

HAWAII OCEAN PLAZA LP, a Hawaii limited partnership

By CALIFORNIA INVESTMENT REGIONAL CENTER LLC, a  
California limited liability company,  
Its General Partner

By *Zhong Fang*  
Name: Zhong Fang  
Title: Manager

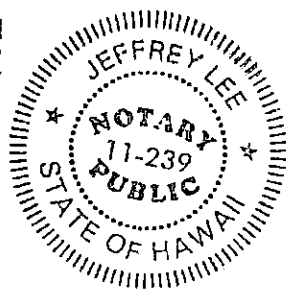
STATE OF HAWAII )

: SS.

CITY AND COUNTY OF HONOLULU )

On this 27 day of February, 2017, before me personally appeared **ZHONG FANG**, to me personally known, who, being by me duly sworn or affirmed, did say that such person(s) executed the foregoing instrument as the free act and deed of such person(s), and if applicable, in the capacities shown, having been duly authorized to execute such instrument in such capacities. I further certify as follows:

Doc. Date: 2/21/17 or undated at time of Notarization  
# of Pages: 4  
Name of Doc.: Warranty Deed  
Jurisdiction: First Circuit



*Jeffrey Lee*  
Notary's Signature (Above)

JEFFREY LEE

Expiration Date: July 31, 2019

Print Name: \_\_\_\_\_  
Notary Public, State of Hawaii  
My commission expires: \_\_\_\_\_

**EXHIBIT "A"**

**-ITEM I:-**

All of those certain parcels of land situate on Kapiolani Boulevard, at Kalia, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

LOTS: 21, area 5,000 square feet,  
22, area 5,000 square feet, and  
23, area 5,000 square feet, more or less

as shown on Map 1, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Consolidation No. 45 of Hawaiian Land Company, Limited;

Being land(s) described in **Transfer Certificate of Title No. 837,883** issued to **KAPIOLANI PARTNERS, LLC**, a Hawaii limited liability company.

**-ITEM II:-**

All of those certain parcels of land situate on Kapiolani Boulevard at Kalia, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii described as follows:

LOTS: 18, area 5,000 square feet,  
19, area 5,000 square feet, and  
20, area 5,000 square feet, more or less,

as shown on Map 1, filed in the Office of the Assistant Registrar of the Land court of the State of Hawaii with Land Court Consolidation No. 45 of Hawaiian Land company, Limited;

Being land(s) described in **Transfer Certificate of Title No. 837,883** issued to **KAPIOLANI PARTNERS, LLC**, a Hawaii limited liability company.

**-ITEM III:-**

All of those certain parcels of land situate on Kapiolani Boulevard at Kalia, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii described as follows:

LOTS: 15, area 5,000 square feet,  
16, area 5,000 square feet, and  
17, area 5,000 square feet, more or less,

as shown on Map 1, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Consolidation No. 45 of Hawaiian Land Company, Limited;

Being land(s) described in **Transfer Certificate of Title No. 837,883** issued to **KAPIOLANI PARTNERS, LLC**, a Hawaii limited liability company.

**-AS TO ITEMS I, II AND III:-**

BEING THE PREMISES ACQUIRED BY DEED

GRANTOR : HAWAII OLYMPIA N.V., a Netherlands Antilles corporation



GRANTEE : KAPIOLANI PARTNERS, LLC, a Hawaii limited liability company  
DATED : December 13, 2006  
FILED : Land Court Document No. 3526889

SUBJECT, HOWEVER, TO THE FOLLOWING:

1. -AS TO ITEM III:- The terms and provisions contained in DECLARATION OF RESTRICTIVE COVENANT, dated September 27, 1995, filed as Land Court Document No. 2268303.

2. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

3. Any and all matters mentioned or as provided in that certain unrecorded Purchase and Sale Agreement dated as of April 11, 2016 including the "Permitted Exceptions" (including without limitation, unrecorded leases and matters arising from or affecting the same).

- ITEM IV: -

TOGETHER WITH: all built-in furniture, attached existing fixtures, built-in appliances, water heaters, electrical and/or gas and plumbing fixtures, attached carpeting, air conditioner(s), security alarms, TV Cable Outlets, ceiling fans, smoke detectors, existing window coverings, water heaters, appliances and equipment located on and used in connection with the premises described above, to the extent of Grantor's ownership interests therein.

[END OF EXHIBIT A]